

**The apparent meat and poultry demand doldrums of March had little to do with the restaurant sector as the National Restaurant Association's (NRA) Restaurant Performance Index rose to its highest level since before the onset of the Great Recession.** The index rose 0.3 points in March to reach 102.2. That is same figure as December 11 before the index dipped sharply in January. The December and March levels are the highest since March 2007. The index bottomed in late 2008 at just over 96.

The index is constructed to make 100 the dividing line between expansion and contraction. March's results mark the 7th straight month of expansionary index levels. That's the longest string of expansionary months since before the recession. The chart at right shows the monthly indexes back to January 2003.

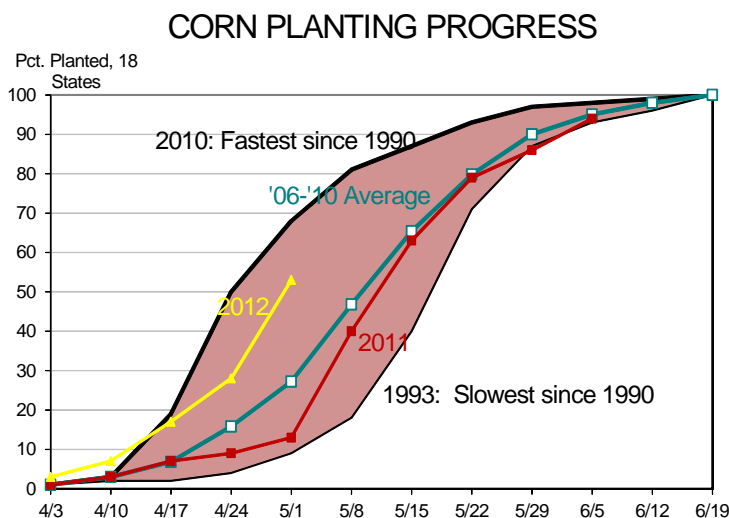
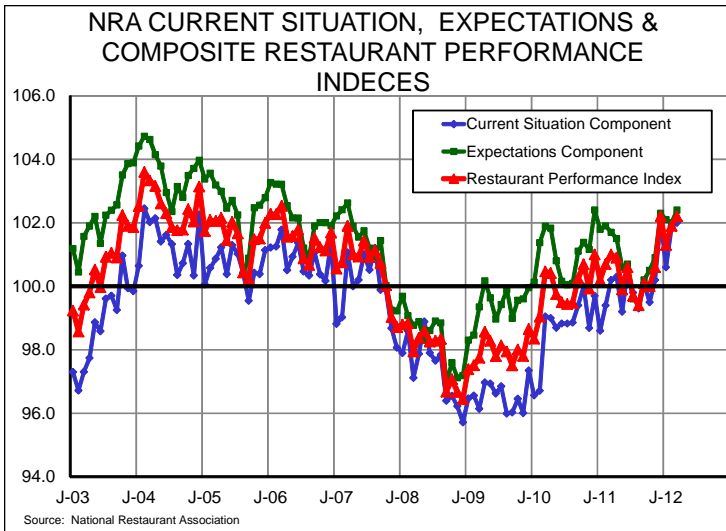
Note that the Restaurant Performance Index is a composite of a Current Situation and Expectations components. Since mid-2011, the Current Situation component has been as much of a positive driver of the index as the Expectations component. That is in sharp contrast to the component drivers during the recession when Expectations were the primary driver. It is good that restaurant owners are optimists, we suppose, but it is far better when actual results are matching their outlooks!

According to NRA's press release, the March Current Situation strength was driven by "solid majorities of operators reporting higher same-store sales and higher customer traffic levels in March." 65 percent of survey respondents reported higher same-store sales in March 2012 versus March 2011. Only 21% reported lower sales this year.

**Crop planting by U.S. farmers continued at a brisk clip last week even though some activities were interrupted by rain --at least some of which was very welcome!** USDA's weekly Crop Progress report showed that 53% of the nation's corn acres were planted as of April 29. That figure compares to 27% at the same time last year and an average of 27% over the past 5 years. The weekly progress for this year, last year and the past 5 years appear on the chart at right as well as the progress figures for the fastest-planted corn crop (2010) and the slowest-planted corn crop (1993) since 1990. This week's national 53% figure is the second highest on record, second only to the 68% of 2010. It is 1% higher than the 52% planting paces of 2005 and 2006.

Every one of the 18 states that are estimated in the report are ahead of their 5-year average progress for this point in the season. Most notable are Illinois at 79% planted (vs. 10% last year and a 5-year average of 29%), Indiana at 70% (vs. 2% last year and 20% average over the past 5 years) and Ohio at 57% after being only 1% planted last year amid rain, rain and more rain. Even the northern-tier states are well ahead of schedule with Iowa at 50% (vs. an average of 32%), Minnesota at 48% (vs. 31% average) and North and South Dakota at 24% and 31%, respectively.

The report indicates that one-quarter of the nation's corn acres were seeded last week. Using the Planting Intentions number of 95.8 million acres, that means 24 million acres were planted



— or nearly 3.5 million per day. That pace matches what we saw last year after May 1.

Soybean planting is just getting underway in most areas but the national figures are, like corn, well ahead of most previous years. 12% of the intended acres have been planted in the 18 surveyed states. That compares to 2% last year and 5% over the past 5 years. As expected, the southern states are well along in soybean planting. Illinois, Indiana and Ohio have 13%, 28% and 16% of the intended soybean acres planted as of Sunday.

NOAA's 5-day precipitation forecast says the pace may slow somewhat this week.

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